CQ, May 20, 2009

Congressional Republicans have decided to confront Democratic plans to overhaul the health care system with policy proposals of their own and are developing at least two plans — one by conservatives and one by House moderates.

A group of conservatives, led by Sens. Tom Coburn of Oklahoma and Richard M. Burr of North Carolina, will introduce legislation Wednesday. The bill would provide tax credits for people to buy health insurance, paid for by taxing employer-provided health benefits — a plan similar to Republican John McCain 's proposal during his presidential campaign last year.

The Coburn-Burr bill will be sponsored in the House by Devin Nunes of California and Paul D. Ryan of Wisconsin.

Meanwhile, moderate Republicans in the House, led by Mark Steven Kirk of Illinois, are developing legislation that centers on passing a law guaranteeing that the government will never interfere with medical decisions made by doctors and patients. Kirk and other moderates, known as the "Tuesday Group" for their weekly meetings, plan to announce the central piece of their legislation — called the Medical Rights Act — at a news conference Wednesday.

In an interview, Kirk said the moderates' legislation would also include changes to the private insurance market and medical lawsuits aimed at reducing the cost of insurance, along with an expansion of public health clinics to serve people who are difficult to cover under insurance plans, such as the homeless.

There has been debate in recent months among Republicans about how to confront President Obama's effort to overhaul the health care system and about whether Republicans should offer their own legislation or simply oppose Democratic plans. In 2005, Democrats successfully defeated President George W. Bush 's effort to overhaul Social Security without offering an alternative plan.

But many in the GOP are concluding that health care — unlike Social Security in 2005 — is an issue that resonates with the public.

"Here, I think, as has been the case for the most part for the last decade or so, health care has been viewed as something that Congress really has to fix," said Michael Franc, vice president for government relations at the conservative Heritage Foundation.

Michael N. Castle, R-Del., a prominent House moderate, said that simply opposing Obama's plans would not suffice.

"We'd prefer not to just be opposed to something; we'd rather have something to stand for," he said.

Republicans had scrambled this year to organize a response to Obama's planned overhaul, but as it turns out, they may beat the administration and congressional Democrats to introducing legislation. Democrats plan to debate bills in committee beginning in June and hope to pass them before August.

"Our goal is to remain ahead of all other groups, including the White House," Kirk said. He said he believes the Tuesday Group's plan is the "most well-defined, heavily developed product so far."

Focus on Reducing Costs

The moderate group discussed a three-page outline of the plan at its meeting Tuesday morning, and Kirk and others planned to brief lobbyists for patient advocacy and health care professional groups.

Along with the Medical Rights Act, the moderates' legislation is intended to increase the use of electronic medical records and change the way medical lawsuits are litigated so that health care costs are reduced and insurance becomes more affordable. Unlike proposals suggested by Democrats, the moderates' plan does not include a government-run health plan that would compete with private insurance, nor would it require individuals to obtain insurance. The moderates' plan also includes a provision to strengthen state-run insurance programs for high-risk patients with pre-existing conditions who are unable to obtain private insurance, Kirk said.

It is unclear what the moderates' plan would cost, but Kirk said it would be "extra low compared to where the president's going."

Along with its tax changes, the Coburn-Burr bill would establish "State Health Insurance Exchanges," where people could shop for private insurance. It would also guarantee all Americans the same level of benefits available to members of Congress, according to a summary provided by Burr's office. In addition, the bill would create private insurance options in the Medicaid program, according to the summary, and would require wealthy seniors to pay higher premiums for Medicare's prescription drug coverage, among other provisions.